Presenters

- **Jackie Guevarra**, CPA, Chief Accountant
  Auditor-Controller - Accounting Division

- **Rachelene Rosario**, Principal Accountant
  Auditor-Controller – Accounting Division
  Financial Analysis/Bond Accounting/Property Tax
Department of Auditor-Controller
Objectives

- A-C Process Overview
- Debt Management Module (implemented December 2016)
- Various Matters
  - Fiscal Independence*
  - School Facilities Improvement Districts*
  - Large Refunds
  - Unissued Bonds Letter (March 1st) – What’s New?*
  - Annexations*
  - Sinking Bond Funds – Financial Statement Activity*
  - Adjoining Counties*
  - Refunding – Multiple Elections*
  - Unitary Assessed Valuation*
  - California State Treasurer*
  - Taxpayer Inquiries – Samples
  - Links to County Websites
A-C Process Overview (see Appendix A for details):

A. Election
   - Debt Management Module records authorization
B. Issuance (Schools work with TTC Public Finance)
C. Pricing/Closing (Schools work with TTC Public Finance)
D. Debt Service Schedule
   - Entered into Debt Management Module
E. Tax Rates

F. Audit Confirmations
Monitor scheduled debt service payments for

- 48 = Unified School Districts
- 20 = School Districts
- 5 = High School Districts
- 13 = Community College Districts

*Approximately 700 bond issuances (as of September 2017)

Tax rate resolution reports available at:
http://auditor.lacounty.gov/wps/portal/ac/reports
County’s New Debt Management Module

eCAPS Financial System

• A component of the County’s eCAPS accounting system, went live December 2016.

• Debt Management provides a standardized automated approach to streamline the management of bonds, leases, and loans:
  ➢ Reducing or eliminating manual processes
  ➢ Improving transparency and information sharing
  ➢ Streamlining through business process automation
  ➢ Increasing information accessibility to facilitate forecasting and assist with budgeting

• Bond election, Board authorization, and bond debt service information are entered and available in Debt Management

• Debt service payment are processed automatically based on debt service schedule, which Treasurer Tax Collector reviews before payment documents are finalized and approved.
### BOND AUTHORIZATION REGISTRY

#### General Information

- **Authorization Debt ID:** BCCD0116 SER A
- **Authorization Name:** Antelope Valley Community College District 2016 Series A
- **Authorization Date:** 03/30/2017
- **Authorization Start Date:** 03/30/2017
- **Authorization End Date:**
- **Authorized Amount:** $116,385,000.00
- **Exercised Amount:** $116,385,000.00
- **Remaining Amount:** $0.00

#### Authorization

<table>
<thead>
<tr>
<th>Authorization Debt ID</th>
<th>Authorization Name</th>
<th>Authorization Status</th>
<th>Debt Type</th>
<th>Authorized Amount</th>
<th>Exercised Amount</th>
<th>Remaining Amount</th>
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<tbody>
<tr>
<td>BCCD0116 REF</td>
<td>Antelope Valley Community College District 2016 Refunding</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BCCD0116 2014 REF A</td>
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<tr>
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<tr>
<td>BCCD0116 2015 REF</td>
<td>Antelope Valley CC District 2015 Refunding</td>
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<tr>
<td>BCCD0116 SER C</td>
<td>Antelope Valley Community College District 2004 Series C</td>
<td>Active</td>
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<td></td>
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<td></td>
</tr>
<tr>
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<td>Antelope Valley Community College District 2016 Series A</td>
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<td>BCCD0116 SER A-1</td>
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<td></td>
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</tr>
<tr>
<td>BCCD0204 2014 REF A</td>
<td>Cerritos Community College District 2014 Refunding Series A</td>
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<td></td>
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<tr>
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<td>BCCD0204 SER 2009 C</td>
<td>Cerritos Community College District 2004 Series 2009 C</td>
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<td></td>
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## Debt Registry

**BOND REGISTRY**

### Debt Instrument

<table>
<thead>
<tr>
<th>Authorization</th>
<th>Debt ID</th>
<th>Debt Instrument Name</th>
<th>Debt Instrument Status</th>
<th>Debt Type</th>
<th>Principal</th>
<th>Unpaid Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESD0193 SER A</td>
<td>2230</td>
<td>Castaic Union School District 1993 Series A</td>
<td>Active Bond</td>
<td>SCHBOND9</td>
<td></td>
<td></td>
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<tr>
<td>BESD1653 SER A</td>
<td>2232</td>
<td>Saugus Union School District 1993 Series A</td>
<td>Active Bond</td>
<td>SCHBOND9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUSD0493 SER A</td>
<td>2234</td>
<td>Arcadia Unified School District 1993 Series A</td>
<td>Active Bond</td>
<td>SCHBOND9</td>
<td></td>
<td></td>
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<tr>
<td>BESD0193 SER B</td>
<td>2240</td>
<td>Castaic Union School District 1993 Series B</td>
<td>Active Bond</td>
<td>SCHBOND9</td>
<td></td>
<td></td>
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<tr>
<td>BUSD0995 1996 SER A</td>
<td>2247</td>
<td>Manhattan Beach Unified School District 1996 Series A</td>
<td>Active Bond</td>
<td>SCHBOND9</td>
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<td></td>
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<tr>
<td>BUSD495 1995 SER A</td>
<td>2248</td>
<td>South Pasadena Unified School District 1995 Series A</td>
<td>Active Bond</td>
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<td></td>
</tr>
<tr>
<td>BUSD0956 SER A</td>
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<td>Baldwin Park Unified School District 1996 Series A</td>
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</table>

**General Information**

- **Debt ID**: 2219
- **Debt Instrument Name**: Sulphur Springs Union School District 1991 Series A
- **Debt Instrument Short Name**: SulphSprgsS1A
- **Debt Instrument Status**: Active Bond
- **Responsible Department**: NZ
- **Major Type of Bond**: Unspecified
- **Issue Date**: 09/01/1991
- **Total Debt Costs**:

**Debt Instrument Description**: DM Conversion as of 7/1/2016

**Denomination**: $5,000.00

**Number of Bonds Issued**: 3199

**Tax Status**: Unspecified

**Rating**: 
School District – Fiscal Independence
Education Code 42647 and Education Code 85266.5 for Community Colleges

**Background:**
- Gives authority to school district to independently issue warrants (without review and approval of LACOE or County Auditor).

**Requirements:**
- Prior approval by LACOE, County Auditor-Controller and Treasurer and Tax Collector
- Independent auditor’s report on the district’s internal controls and recommendation for fiscal independence.

“*School District Name* was required to undergo an audit of their management and accounting controls. The purpose was to determine whether the proper internal controls are in place to provide the appropriate oversight and internal audit function for the issuance of commercial warrants directly through the County Treasury without review and approval by LACOE for scrutiny of the legality and propriety of district accounting, transactions. The audit also reviewed the staffing of the accounting, budgeting, contracts, internal audits, management information systems, personnel and procurement departments for adequacy in numbers and skill level to conduct administrative programs independent of detailed review by LACOE.”

- Process from start to finish may take 1-2 years (County)
  - *TTC* – *establish banking requirements*
  - *A-C* – *establish eCAPS accounts and security roles*
- Start of fiscal independence (July 1)
School District – Fiscal Independence (continued)
Education Code 42647 and Education Code 85266.5 for Community Colleges

Auditor-Controller contact to set-up eCAPS accounts (County’s accounting system):

Jackie Guevarra at (213) 974-8309 or e-mail at jguevarra@auditor.lacounty.gov
Racheline Rosario at (213) 974-2871 or e-mail at rrosario@auditor.lacounty.gov

Treasurer and Tax Collector contacts for banking requirements:

Michael Grazer (213) 974-7350 or e-mail at mgrazer@ttc.lacounty.gov
Eduardo Ramirez Jr. (213) 974-2308 or e-mail at eramirez@ttc.lacounty.gov
School Facilities Improvement District
Formation and Filing Requirements

Education Code 15300-15303 provides a method for
• **Formation** of school facilities improvement district (SFID) within the boundaries of an existing school district or community college district
• Allows an SFID to obtain bond issuance authority via an **election**
• **Issuance** of general obligation bonds by a school or community college district for an SFID

Governing body of a school district or community college district **filing requirements** per Government Code Section 54902:

• On or before **December 1 (20x1)** immediately preceding an assessment year or when taxes are to be levied (**20x2-x3**)
• A statement shall be **filed with the County auditor**
• A statement and map or plat shall be **filed with the County Assessor** and with the California Department of Tax and Fee Administration (CDTFA), formerly **State Board of Equation (BOE)** at Sacramento.

The County Board of Supervisors adopts a resolution, which shall then be filed with the California Debt and Investment Advisory Commission (CDIAC).
Large Refunds (Change in Assessment Value)

Refunds may be due to:
- Approved exemptions or assessed value changes (Assessor)
- Assessment appeals decision to reduce property value or reverse a reassessment of a property (Assessment Appeals Board)

Notification of over $1 million refund being processed
- Check if any school district debt service bond fund will go negative.
- Tax Rate Calculation 18 month cash flow analysis - consider the negative/overdraft and add tax levy in the tax rate calculation.
March 1st Letter to School Districts
Unissued Bonds: Authorizing Resolution Requirement

- Sent to school districts every March 1st (20x1)
- Determine school district’s plan to issue taxes (between 7/1/20x1 – 12/31/20x2), which need to be included in the upcoming tax levy
- School districts are required to respond by June 30th with the principal and interest to be paid in the next 18 months (if actual amounts are unknown, an estimate may be submitted).
- Requires a signed resolution by the school district’s board
- Required to be completed even if school district is not planning to issue any bonds

What’s New in the Letter?

“For your information, attached is a summary report of your district’s outstanding bond balances and maturity dates as of June 30, 2017 for bonds issued as of January 2017 (see Schedule II). Also, we are providing your district’s FY 2016-17 cumulative tax rate of 0.025602%, which is approximate to $25.60 per $100,000.00 of the assessed value of a taxpayer’s property.”
• Statutory Limit Computation (July/August)
  ➢ $30 – School Districts/High School
  ➢ $25 – Community College Districts
  ➢ $60 – Unified School District
    **per $100,000 of assessed valuation**

• Exceeding the limit
  ➢ Notify TTC Public Finance and contact the school district
    ➢ New debt service schedule
    ➢ Deposit of funds
  ➢ New Schedule I form and submit new estimates of bonds to be issued.
School District Annexations
Impact on Bonded Indebtedness

Per Education Code 35511 (b), a portion less than all of a school district may be removed from the original district and annexed into an adjacent school district pursuant to a review and consideration of a proposal through the County Reorganization Committee.

Impact on Bonded Indebtedness when -

• **NO transfer of public school property or buildings** (Per Education Code 35575)
  - Annexing portion shall “drop” any outstanding debt from original district; therefore, original district **after** annexation will assume **all** outstanding debt.
  - Annexing portion will assume proportionate share of the outstanding debt of the adjacent (receiving) school district where it is moving to. (See next page for a sample illustration)

• **WITH transfer of public property or buildings** (Per Education Code 35576 and 35738)
  - Adjacent (receiving) school district will take possession of the public school property or buildings, and assumes a proportionate share of original district’s outstanding debt.
  - Education Code 35576 and 35738 stipulates the distribution of the bond indebtedness.
## TAX RATE IMPACT ON SCHOOL DISTRICT ANNEXATION (GENERAL OBLIGATION BONDS)
### NO TRANSFER OF PUBLIC SCHOOL PROPERTY OR BUILDING (1)

<table>
<thead>
<tr>
<th></th>
<th>Original District</th>
<th>Annexing Portion</th>
<th>Adjacent District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Assessed Valuations</td>
<td>3,200,000,000.00</td>
<td>1,200,000,000.00</td>
<td>5,000,000,000.00</td>
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</table>

### Outstanding Debt (as of 6/30/##)

<table>
<thead>
<tr>
<th></th>
<th>$35,000,000.00</th>
<th>$3,200,000,000.00</th>
<th>1.093750 %</th>
<th>$1,093.75</th>
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</thead>
<tbody>
<tr>
<td>Original District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjacent District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Assessed Valuation (AV)

<table>
<thead>
<tr>
<th></th>
<th>$3,200,000,000.00</th>
<th>$5,000,000,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original District</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjacent District</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Tax Rate

<table>
<thead>
<tr>
<th></th>
<th>1.093750 %</th>
<th>2.500000 %</th>
<th>1.750000 %</th>
<th>2.016129 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjacent District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Per $100,000 of AV

<table>
<thead>
<tr>
<th></th>
<th>$1,093.75</th>
<th>$2,500.00</th>
<th>$1,750.00</th>
<th>$2,016.13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjacent District</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Current (before annexation)

Original District

- Outstanding Debt: $35,000,000.00
- Assessed Valuation: $3,200,000,000.00
- Tax Rate: 1.093750 %
- Per $100,000 of AV: $1,093.75

Adjacent District

- Outstanding Debt: $125,000,000.00
- Assessed Valuation: $5,000,000,000.00
- Tax Rate: 2.500000 %
- Per $100,000 of AV: $2,500.00

### After annexation

Original District (What's Left)

- Outstanding Debt: $35,000,000.00
- Assessed Valuation: $2,000,000,000.00
- Tax Rate: 1.750000 %
- Per $100,000 of AV: $1,750.00

New Annexed District

- Outstanding Debt: $125,000,000.00
- Assessed Valuation: $6,200,000,000.00
- Tax Rate: 2.016129 %
- Per $100,000 of AV: $2,016.13

### Notes

1. Per Education Code section 35575, since Annexing Portion does not contain public school property or buildings, Annexing Portion shall "drop" any liability for outstanding bonded indebtedness from Original District. Therefore, what's left of the Original District will assume the district's outstanding debt (i.e., higher tax rates to remaining Original District property owners – a smaller number of properties will bear the existing debt).

2. Divide this amount by the total years to bond maturity to obtain the annual amount per $100,000 of AV.
School District Annexations (continued)
County Bond Counsel Recommendations

- **School Districts undergoing annexation process** –
  - Follow Education Code 35738 and agree on a method of distribution or calculation of bonded indebtedness.
  - Notify all affected stakeholders of the potential impact of the annexation.
  - Consult respective bond counsels or financial advisors to ensure no adverse or material impact on district’s respective existing bonded indebtedness.
**Sinking Bond Fund Process**

<table>
<thead>
<tr>
<th>BOND ISSUE</th>
<th>DEBT SERVICE FUND</th>
<th>SINKING BOND FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>--Deductions recorded for &quot;payments&quot; based on the Debt Service Schedule</td>
<td>--Future Principal payments are deducted from this fund</td>
<td></td>
</tr>
<tr>
<td>--Financial Reports sent to district auditors are based on activities of the Debt Service Fund</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- County Financial Reports (eCAPS) ≠ School District Records
  - Cause: eCAPS Reports are for the Debt Service Fund, which show activity "net" of the Sinking Bond Fund payments

- Annually, the Auditor-Controller completes Form 51 Report which itemizes the district’s expenditures by object code.
  - We will report the balance of the Sinking Bond Fund in Form 51.

- Form 51 Copy - LACOE Website:
  [https://www.lacoe.edu/BusinessServices/DocumentsForms.aspx](https://www.lacoe.edu/BusinessServices/DocumentsForms.aspx)
<table>
<thead>
<tr>
<th>Bond Description</th>
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<tbody>
<tr>
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<td>0</td>
</tr>
<tr>
<td>Bonds from Acquired District</td>
<td>0</td>
</tr>
<tr>
<td>Bonds Sold</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
</tr>
<tr>
<td>Less: Bonds to Acquiring District</td>
<td>0</td>
</tr>
<tr>
<td>Less: Bonds Redeemed</td>
<td>0</td>
</tr>
<tr>
<td><strong>OUTSTANDING BONDED INDEBTEDNESS</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Restricted Balance, July 1</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>2. Tax Receipts</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>3. State and Federal Apportionments</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>4. Other Designated Revenue</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>5. Subtotal (Sum of lines 1 through 4)</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>6. Less: Actual Expenditures or Other Uses</td>
<td>2016-17</td>
<td>0</td>
</tr>
<tr>
<td>7. Restricted Balance, June 30 (Line 5 minus 6)</td>
<td>2016-17</td>
<td>0</td>
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<tr>
<td>8. Estimated Tax Receipts on the Unsecured Roll</td>
<td>2017-18</td>
<td>0</td>
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<tr>
<td>9. Estimated State and Federal Apportionments</td>
<td>2017-18</td>
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<tr>
<td>10. Other Estimated Revenue</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>11. Subtotal (Sum of lines 7 through 10)</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>12. Amount Budgeted for Expenditures, Other Uses, Transfers, and/or Reserve</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>13. Maximum Amount: District Secured Tax Requirements (Line 12 minus 11)</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>14. TAX RATE (For use by County Auditor or entry of data secured from auditor)</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>a) COMPUTED</td>
<td>2017-18</td>
<td>0</td>
</tr>
<tr>
<td>b) LEVIED</td>
<td>2017-18</td>
<td>0</td>
</tr>
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</table>

*Note: The June 30, 2017 cash balance of the 2000, Series A (QSCBs) sinking fund account is $0.00. This is a separate account and not included on the total ending fund balance of the district.*
Some school districts overlaps with another county (Orange, Kern, San Bernardino).

- When a school district in LA County issues new bonds where an adjoining county would also levy taxes, Auditor-Controller Accounting Division will –
  - Contact the adjoining county and request for their valuation
  - Valuation received will be included in LA County’s tax rates calculation
  - Notify adjoining county of the calculated tax rate/s to include in their tax resolution
  - Collected taxes by adjoining county on behalf of LA County will be remitted to LA County by the adjoining county.

When a school district of an adjoining county issues new bonds where LA County would levy taxes, Auditor-Controller Accounting Division will –

- Request set-up of a tax account to levy taxes
- Provide adjoining county the LA County valuation so adjoining county can calculate the tax rate/s
- Adjoining county provides LA County the calculated tax rate/s to include in the LA County tax rate resolution for approval by the Board every 1st Tuesday in September.
- Collected taxes by LA County on behalf of the adjoining county will be remitted to the adjoining county; apportionment is handled by the Auditor-Controller Tax Division.
Refunding Multiple Elections
Statutory Limit Test per Election

• A refunding bond can involve multiple election bond issuances
  ➢ Cost effective
• Impacts Auditor-Controller’ ability to perform statutory limit test on (new) bonds–per Education Code 15268-70:
  ➢ $30 – School Districts/High School
  ➢ $25 – Community College Districts
  ➢ $60 – Unified School District
    **per $100,000 of assessed valuation

• Auditor-Controller requires separate debt service schedule for each issue (by election).
## Refunding Multiple Elections (continued)

### Sample 1: Single Elections

**BEFORE**

<table>
<thead>
<tr>
<th>Election 2000</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
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</thead>
<tbody>
<tr>
<td>800.10 Bond Issue 2000 - Series A</td>
<td>1,000,000</td>
<td>0.006118</td>
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<tr>
<td>800.25 Bond Issue 2000 - Series B</td>
<td>2,000,000</td>
<td>0.023674</td>
</tr>
</tbody>
</table>

**Election 2007**

| 800.40 Bond Issue 2007 - Series A | 3,000,000  | 0.011345   |
| 800.45 Bond Issue 2007 - Series B | 4,000,000  | 0.041662   |

**AFTER**

<table>
<thead>
<tr>
<th>Election 2000</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>800.10 Bond Issue 2000 - Series A</td>
<td>1,000,000</td>
<td>0.006118</td>
</tr>
<tr>
<td>800.25 Bond Issue 2000 - Series B</td>
<td>1,500,000</td>
<td>0.020074</td>
</tr>
<tr>
<td>800.75 Bond Issue 2000 - Refunding Series B</td>
<td>500,000</td>
<td>0.005599</td>
</tr>
</tbody>
</table>

**Election 2007**

| 800.40 Bond Issue 2007 - Series A | 3,000,000  | 0.011345   |
| 800.45 Bond Issue 2007 - Series B | 4,000,000  | 0.041662   |

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.029792</td>
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<tr>
<td></td>
<td></td>
<td>0.053007</td>
</tr>
</tbody>
</table>
### XYZ Unified School District

**Limit:** $60/$100,000 Of AV

#### BEFORE

<table>
<thead>
<tr>
<th>Election 2000</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>800.10</td>
<td>Bond Issue 2000 - Series A</td>
<td>1,000,000</td>
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<tr>
<td>800.25</td>
<td>Bond Issue 2000 - Series B</td>
<td>2,000,000</td>
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</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2,000,000</strong></td>
<td><strong>0.029792</strong></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Election 2007</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>800.40</td>
<td>Bond Issue 2007 - Series A</td>
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<tr>
<td>800.45</td>
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<tr>
<th>900.22 2017 Refunding</th>
<th>Bond Issue 2000 - Series A</th>
<th>500,000</th>
<th>0.001549</th>
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<tbody>
<tr>
<td></td>
<td>Bond Issue 2007 - Series B</td>
<td>2000000</td>
<td>0.024812</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2,500,000</strong></td>
<td><strong>0.026361</strong></td>
</tr>
</tbody>
</table>

**Total:** $29.79

**Total:** $53.01

**Total:** $26.36
Refunding Multiple Elections *(continued)*

Sample 3: Computation per election

<table>
<thead>
<tr>
<th>XYZ Unified School District</th>
<th>Limit: $60/$100,000 Of AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>900.22 2017 Refunding-Bond Issue 2000 - Series A</td>
<td>500,000</td>
</tr>
<tr>
<td>900.26 2017 Refunding-Bond Issue 2007 - Series B</td>
<td>2000000</td>
</tr>
</tbody>
</table>

**AFTER**

<table>
<thead>
<tr>
<th>Election 2000</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>800.10 Bond Issue 2000 - Series A</td>
<td>500,000</td>
<td>0.001554</td>
</tr>
<tr>
<td>800.25 Bond Issue 2000 - Series B</td>
<td>2,000,000</td>
<td>0.023674</td>
</tr>
<tr>
<td>900.22 2017 Refunding</td>
<td>500,000</td>
<td>0.001549</td>
</tr>
</tbody>
</table>

|  | 0.026777 | $ 26.78 |

<table>
<thead>
<tr>
<th>Election 2007</th>
<th>Bond Issue</th>
<th>Tax Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>800.40 Bond Issue 2007 - Series A</td>
<td>3,000,000</td>
<td>0.011345</td>
</tr>
<tr>
<td>800.45 Bond Issue 2007 - Series B</td>
<td>2,000,000</td>
<td>0.024812</td>
</tr>
<tr>
<td>900.26 2017 Refunding</td>
<td>2,000,000</td>
<td>0.024812</td>
</tr>
</tbody>
</table>

|  | 0.060969 | $ 60.97 |
Unitary – Assessed Valuations
Certification and Tax Rates Calculation

- Auditor-Controller Certification – assessed valuation includes Unitary AV (per Education Code 15102 and 15106)
  - Unitary and Operating Non-unitary ratio - based on the 1987-1988 public utility assessed valuation

- Combined AV is used to calculate bonding capacity

**Bonding Capacity Calculation:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AV (including unitary)</td>
<td>$1,000,000,000</td>
</tr>
<tr>
<td>Debt Limit Factor</td>
<td>× 1.25%</td>
</tr>
<tr>
<td>Bonding Capacity</td>
<td>12,500,000</td>
</tr>
<tr>
<td>Outstanding GO Bonds</td>
<td>- 12,000,000</td>
</tr>
<tr>
<td>Available Bonding Capacity</td>
<td>= $500,000</td>
</tr>
</tbody>
</table>
State law that took effect in 1982 requires all governmental agencies which issue debt to report information on each issuance to **California Debt and Investment Advisory Commission (CDIAC)**. [Government Code Sections 8855(k) and 8855(i)].

Agencies must provide data to CDIAC 30 days prior to each issuance, and within 45 days after the signing of the bond purchase contract in a negotiated or private financing, or after the acceptance of a bid in a competitive offering. Reporting guidelines, along with required reporting forms (in both electronic and mail-in format) can be found at [http://www.treasurer.ca.gov/cdiac/reporting.asp](http://www.treasurer.ca.gov/cdiac/reporting.asp).

For each reported issuance, the database contains preliminary data until CDIAC updates the database with final information. CDIAC’s database only reflects information at the time of the issuance. CDIAC does not capture subsequent market data changes (for example, secondary market prices or changes in ratings). CDIAC represents that the information contained in the database is accurate.
California State Treasurer (continued)
Debt Issuance and Election Data Information

Home page:
http://www.treasurer.ca.gov/cdiac/index.asp

Debt Issuance and Election Data
http://www.treasurer.ca.gov/cdiac/debt.asp
Agency: Dropdown menu
Type of Tax/Deb: Dropdown menu
Finding: Election Results “Fail” or “Pass” not current

http://www.treasurer.ca.gov/cdiac/contacts.asp
Taxpayer Inquiries – Samples

- Why did my taxes increase this year?
- Can I be exempt from paying voted-indebtedness since I am single/elderly and I don’t have any kid that goes to school?
- Could you provide us information on bonds (election year, amounts, maturity dates) for the property.
- We are seniors and we heard seniors do not have to pay for taxes on voted-indebtedness.
- We were approved for a parcel tax exemption on a Measure but we are still being charged.
- What school district do I belong to? What are the outstanding bonds? Please provide the tax rates for each bond.

Any taxpayer inquiry that the Auditor-Controller cannot answer will be referred/forwarded to the school district contact.

- We would like to know how our money is being spent. How is our money being accounted for?
- What projects is the money being used for? Who decides on the projects?
• Tax Rate Resolution – adopted every 1st Tuesday of September
  ➢ http://auditor.lacounty.gov/tax-rate-resolution-reports/

• Annual Assessed Valuations – available around mid-August
  ➢ http://auditor.lacounty.gov/property-tax-report-central/

• Los Angeles County Assessor Portal – property information
  ➢ https://portal.assessor.lacounty.gov/parceldetail/4138002014
Contact Information

County of Los Angeles

Department of Auditor-Controller
500 W. Temple Street HOA 603,
Los Angeles, CA  90012

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Assistant Auditor-Controller

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E-Mail: jguevarra@auditor.lacounty.gov

Rachelene Rosario
Principal Accountant
Phone: 213-974-2871
Email: rrosario@auditor.lacounty.gov
Any Questions?
Appendix A:

A-C Process Overview (Details)
A-C Process Overview:

A. Election
   - Monitor outstanding balance of authorized amount

B. Issuance
   - Distribution List
   - **Request for information** (e.g., cash balance, assessed valuation, estimated tax rate, etc.)

C. Pricing/Closing
   - Establish **debt service fund**
   - Establish **tax account**
   - Prepare assessed valuation **certification** (signed by the Auditor-Controller
   - Post-Issuance
     • Bond Accounting System (Data Entry)
     • Monitor payment dates
D. Debt Service Schedule (Payments)

- Monthly - Transfer money from debt service funds for scheduled debt service payments
  - 48 = Unified School Districts
  - 20 = School Districts
  - 5 = High School Districts
  - 13 = Community College Districts

*Approximately 700 bond issuances (as of September 2017)*

- Monthly - Send report to TTC for reconciliation to invoices from paying agent
- TTC staff prepares and processes the actual wire transfer
E. Tax Rates

- Annually - Request anticipated issuances from school districts for the upcoming fiscal year
  - Send out Authorized Unissued Bonds letter to school districts (March 1st)
  - (NEW 2017) Include summary of active bonds, outstanding balances and maturity dates.
  - Perform statutory limit test on (new) bonds–per Education Code 15268-70
    - $30 – School Districts/High School
    - $25 – Community College Districts
    - $60 – Unified School District
      **per $100,000 of assessed valuation**
E. Tax Rates (continued)

- Annually – calculate tax rates for levy (July/August)

(Note: The annual tax rate resolution is approved by the County Board of Supervisors on the first Tuesday of September every year.)

<table>
<thead>
<tr>
<th>LOS ANGELES COUNTY</th>
<th>TAX RATE COMPUTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary Calculation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOND REQUIREMENTS (Principal + Interest)</th>
<th>AVAILABLE FUNDS (1)</th>
<th>ASSESSED VALUATION (2)</th>
<th>TAX RATE</th>
<th>TAX AMOUNT PER $100,000 AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d = (a - b) / c x 100</td>
<td>e = d / 100 x 100,000</td>
</tr>
<tr>
<td>200,000.00</td>
<td>100,000.00</td>
<td>200,000,000.00</td>
<td>0.050000</td>
<td>$ 50.00</td>
</tr>
</tbody>
</table>

(1) Note: Available Funds (b) includes June 30th cash balance and estimated unsecured taxes.

(2) Assessed Valuation information is available around early August.

- Tax rate resolution reports available at:
  
  [http://auditor.lacounty.gov/wps/portal/ac/reports](http://auditor.lacounty.gov/wps/portal/ac/reports)
F. Audit Confirmations

- Annually – Send out a packet of audit confirmations to each school district’s auditors (see sample letter in Appendix C):
  - Statement of Receipts and Disbursements
    - Revenues, Expenses, Cash Balance (June 30th)
  - Outstanding bond debt (by issuance)
    - Principal and interest
  - Secured Taxes (current and prior year)
  - Unsecured Taxes (current and prior year)